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Present situation in Eastern and Central Europe

Report¹

Relations with European Non-Member Countries

1. 1958 - 10th Session - Second part



A. Draft Recommendation

The Assembly,

Noting the reports of its Committee on Non-represented Nations ;

Considering that the continued enslavement of peoples of Central and Eastern Europe is of great concern to the free nations of the world;

Considering that the situation in Central and Eastern Europe constitutes a threat to world peace ;

Believing that it is necessary that the position of democratic Europe should be emphasised frequently and clearly so that there may be no misunderstanding

Recommends to the Committee of Ministers:

- a. that the Member Governments of the Council of Europe should forthwith make a solemn declaration in such terms as these :
 - 1. free Europe reiterates that it has no desire and never has had any desire to impose upon the peoples of Eastern and Central Europe any political, cultural, or economic system;
 - 2. the only concern of democratic Europe is that the peoples of Eastern and Central Europe, and they alone, should have the right to decide what system they desire to live under ;
 - 3. that no obstacle should be placed in the way of these peoples reaching such a decision;
- b. that other Governments throughout the free world should be invited to adhere to this declaration.

B. Explanatory Memorandum by Mr. KIRK, General Rapporteur

1.

1. The six months since the Assembly last met have been momentous ones for the peoples of Eastern Europe. The latest act in the Hungarian tragedy was played out when, on June 17th, Budapest and Moscow announced the execution after secret trial, in defiance of safe-conduct and guarantee, of Imre Nagy and others, and the imprisonment of several other leaders of Hungarian democracy. Grave concern must, naturally, be felt for the future of the other Hungarian leaders who were-captured by treachery in 1956.

2. At the same time as this judicial murder was taking place, the relations between Moscow and Belgrade took a sharp turn for the worse. Indeed, it is generally believed that the Hungarian crime was not unconnected with the renewed quarrel between Marshal Tito and the Kremlin. Certainly, when one recalls that many of the accused men were taken from the Yugoslav Embassy in Budapest under a safe-conduct which was immediately violated, the execution of Nagy and his friends was a very real blow to any kind of friendship between Yugoslavia and the rest of the Communist bloc. The breach between the two countries, which began to appear before the Budapest announcement, now appears to be almost complete, and the two Communist leaders are once again addressing each other in terms which recall 1948-49.

3. The other Communist " heretic ", Go-mulka, is showing himself a good deal more amenable to the dictates of M. Khrushchev, and the past six months have shown a further decline from the high standards of " liberalisation " which were reached immediately after the return of M. Gomulka to power in October 1956. In particular, the period under review has shown a sudden and drastic worsening of the relationship between the Government and the Church, which culminated in the raid by Communist police on the sacred Roman Catholic shrine of Iasna Gora at Czestochowa on July 21st. So far, there has been no outright breach between Cardinal Wyszynski and M. Gomulka, but the relations between these, the two most influential men in Poland, have become decidedly strained.

4. The three Reports enclosed in this document deal with the developments in these three countries. In accordance -with the decision which was announced to the Assembly last April, the Reports are factual, and are the personal views of the Rapporteurs themselves, though they have all been endorsed by the Committee. They should be read in conjunction with the last General Report of the Committee ([Doc. 812](#)).

5. Of course, other serious events have occurred in Eastern Europe. For instance, both Rumania and Bulgaria have been the scene of widespread purges of the Communist leadership. These have not so far led to loss of life, but the death-penalty is now being imposed and carried out in both these countries for the high crime of pilfering State property. So far, we have records of two men in each country having suffered death for this offence ; other death sentences have been imposed, though not yet carried out.

6. Relations between Yugoslavia and Albania are more inflamed than usual, following the mysterious death of an Albanian citizen in Belgrade, while in transit from West Germany to Tirana. The facts in this case are extremely obscure.

7. The object of these general Reports is, in the main, to inform members of the Assembly of developments in the enslaved half of Europe. In view of the many developments, some of them extremely serious, in Eastern Europe over the past six months, however, your Committee feel that the time has come once again to state, in as firm and as solemn a manner as possible, the position of Western Europe towards its brothers in the East. Your Committee feel, too, that in order to give further weight to the declaration which is proposed in the enclosed draft Recommendation, it should not be swallowed up, as has now become customary, in any draft Motion which may emerge from the deliberations of the Political Committee, but should stand on its own, as a definite affirmation of the beliefs of our Assembly towards our enslaved brothers.

8. Your Committee feel that, too often in the past, the Assembly's views with regard to the Central and Eastern European situation have not been heard as well as they should, as they have only formed part of a much larger expression of opinion on a multitude of different subjects. Accordingly, your Committee has the honour to submit the above draft Recommendation, together with Reports on the situation in Hungary, Poland and Yugoslavia, for the consideration of the Assembly, in the hope that the Assembly will adopt the draft Recommendation as a definitive statement of the Western European position towards the enslaved nations.

1.1. Developments in Yugoslavia 1957-1958 - (Rapporteur : Mr. MULLEY)

1.1.1. A. The Yugoslav State

9. Yugoslavia is a Federation of six Republics: Serbia, Croatia, Bosnia/Herzegovina, Slovenia, Macedonia and Montenegro, with a total population of almost 17 millions.

10. Supreme authority is vested in the Federal Assembly (Parliament) of two Houses. One House is elected by direct suffrage; the other (Council of Producers) by those engaged in agriculture and industrial production, commerce and transport. The President of the Federal Assembly (M. Stambolic) ranks immediately after the President of the Republic.

11. The executive organs of the Federal Assembly are the President of the Republic and the Federal Executive Council. Much authority lies with the Federal Executive Council. Its President is the President of the Republic and it has four Vice-presidents, of whom the senior (M. Kardelj) deputises for the President when he is out of the country.

12. The six Republics have their own Assemblies and Executive Councils, and below them, as organs of self-government, are elected People's Committees or 'Communes'.

13. After the revolution, during and after the last war, the ownership of capital, and the employment of labour were largely transferred from an individual to a collective basis. After the break with the Cominform in 1948, the Yugoslavs evolved their own theory and practice of Communism, based on the decentralised principles of the Paris Commune of 1871. Central control was considerably relaxed. As well as the system of Communes for local government, in all industrial and commercial undertakings a form of workers' self-management or workers' councils was introduced.

1.1.2. B. The Yugoslav Economy

General

14. The industrial and commercial organisation of Yugoslavia is thus, in comparison with that of other Communist countries, extremely decentralised and less rigid. Government control of the economy is limited to the preparation of broad annual plans and the formulation of general economic policy. Finance is, however, the monopoly of the National Bank. Within this framework enterprises have a good deal of independence. They compete with others and have the incentive of retaining some profits for distribution amongst their workers.

15. Since the war the leadership has been primarily concerned with the industrialisation of the country. Basic industrialisation has, however, now been completed and the present emphasis is largely on agriculture. Industrial production has more than doubled since 1947. The accent has been mainly on capital goods but since mid-1955 new investment has been diverted from basic industry to consumer goods. Productivity remains low by West European standards. While quality is often poor, Yugoslavia can now produce something of almost everything. The country is not lacking in basic resources, having coal, hydro-electric power, iron-ore and the principal minerals, timber, uranium and ore. The intensive development of the last few years has created useful reserves of industrial capacity.

16. Although there has been a great improvement since 1948, the standard of living still remains low. Despite a comprehensive system of Social Insurance (restricted to the urban population), urban wages are often not sufficient to cover essential purchases. It is common that both husband and wife should work or that a man should have a second job in his leisure time from his main occupation. The peasants are, in general, better off than the urban workers. There is, however, a slow improvement in living conditions as a result of the Government's new economic policies.

17. The year 1957 closed on a note of hopeful expectancy. Industrial production has continued to rise, and with it the national income. The best harvest for several years has been gathered, thanks mainly to the weather but in part also to the increased use of fertilisers and of improved seeds. The general standard of living is improving, and retail prices, in spite of a normal seasonal upturn in the last four months, have been fairly steady throughout the year. The only disquieting feature is the trade gap, which in spite of steadily rising exports shows little sign of dwindling because imports continue to rise.

18. The note of expectancy is struck by the Government's economic policy. A Five-year Plan of Economic Development—the first since the 1947 Plan, which had to be scrapped as a result of the breach with the Soviet bloc in 1948—was approved on 4th December, covering the years 1957-61 inclusive. It forecasts

expansion in all spheres, a steady rise in the standard of living, and the balancing of payments by 1961 except for capital investment, which will continue to depend in part on foreign credits. Investment in agriculture is to be stepped up. In December a vast programme of economic legislation was rushed through the Federal People's Assembly (Parliament), including a thorough reorganisation of profits tax, a new law for the payment of income tax by enterprises on behalf of their employees (whose wages and salaries have hitherto been exempt), a comprehensive labour law, a new pensions law and a law which should make it possible for industrial enterprises to associate in larger, more economic, units.

19. It remains to be seen whether the Government will be able to achieve simultaneously its declared aims of improving the standard of living, avoiding inflation and balancing foreign payments. Certainly, the intensive development of the last few years has created reserves of industrial capacity which should make this possible, provided U.S. economic aid (mainly surplus wheat, fats and cotton) continues for three or four years on the same scale as hitherto. But if such aid ceases now the Five-year Plan would have to be drastically amended, and the continued improvement in the standard of living would be arrested.

20. According to the official statistics, the national income of Yugoslavia increased by 22 per cent in 1957 and industrial production by 16 per cent. The increase in industrial production was in fact higher than that envisaged in the Federal Social Plan for 1957, but this factor was to some extent offset by a greater increase than planned in the level of personal wages. Incomes increased by 14 per cent amongst the urban population and by 10 per cent in the countryside. The efforts of the financial authorities to stabilise the level of prices have met with some success and there has undoubtedly been some improvement in the general standard of living during the year. The general cost of living index for the period January-November 1957 is only two points above that for 1956 (102 as against 100). The corresponding indexes for the whole of 1955 and 1954 were 95 and 84 respectively.

21. The main emphasis in economic policy in the short term, as reflected in the Federal Social Plan for 1958, is on "increasing personal and general consumption", i.e. improving the standard of living. With this is combined a determination to stabilise prices, to which end exports of agricultural produce will be restricted if there is any evidence that the home market is not adequately supplied.

The Five-year Plan (1957-1961)

22. In addition to the usual Federal Social Plan for 1958, a "Prospective Plan of Economic Development" covering the years 1957 to 1961 was approved by the Federal People's Assembly on 4th December. This is the first long-term economic plan since that drawn up in 1947 on the Soviet model; it does not, however, represent a reversion to the detailed system of plans and targets in force before 1950, but merely sets out the main lines for economic development and new investment in the five-year period. As stated below, the principal aim of the Plan in the international field is the achievement of a balance in foreign payments by the end of the period, except for some capital investment which will continue to be financed by foreign credits. To this end greater priority will be given to investments in those sectors of the economy which should yield foreign exchange returns in the shortest possible period. Special priority will be given to the food, tobacco, non-ferrous metals, woodworking and shipbuilding industries. 252,000 million dinars or 25 per cent of all new industrial investments will be put into these industries during the period of the plan. It is also planned, possibly over-optimistically in view of the greater ease with which Yugoslavia can sell her traditional agricultural exports, that during the same period the proportion of raw materials and farm products to total exports should fall from 22 per cent to 15 per cent, while finished products and semi-manufactures should rise from 29.5 per cent in 1956 to 43 per cent in 1961. In agriculture the aim is to eliminate the present dependence on imports under U.S. aid. The Plan for increased agricultural production is based upon increased mechanisation and the use of fertilisers and better seeds, rather than upon any increase in the area under cultivation. Provision is, however, made for two important reclamation and drainage schemes: the Danube-Tisa-Danube scheme and reclamation projects in Macedonia, which formed the subject of two separate laws also approved by the Federal Assembly on 4th December.

23. During the period of the Five-year Plan and until a foreign balance is achieved it is the intention of the Government to exercise stricter control over imports, and according to M. Avdo Humo, the Secretary of State for Finance, in his budget speech to the Federal Assembly on 21st December, it is hoped that the major part of imports during this period will be paid for out of the various long-term loans received in the last three years. According to M. Humo, these total approximately \$760 millions, including \$520 millions for capital investments, and have so far been drawn on only to a very minor extent.

24. The Five-year Plan continues and accentuates the present policy of favouring the less developed parts of the country at the expense of the more advanced Republics. During the last, five-year period the annual increase in production in Montenegro has been 9.7 per cent. In the next five-year period it is planned that the

annual rate will be 15.9 per cent. Corresponding figures for Macedonia, Serbia, and Bosnia/Herzegovina are 7.7 per cent and 10 per cent; 2.2 per cent and 9.7 per cent; 3.8 per cent and 9.5 per cent respectively. Serbia includes the autonomous Kosovo-Metohija Region (the Kosmet) to which particular attention will be paid. In contrast, the annual rate of increase in Croatia and Slovenia will be about the same as at present.

The Federal Social Plan for 1958

25. The agricultural provisions of the Five-year Plan are reflected in the more detailed Federal Social Plan for 1958 which was also approved by the Federal Assembly at the end of December. In 1958, investments in agriculture will be 54 per cent higher than this year as compared with an increase of 10.8 per cent in all investments. The total agricultural investments from Federal and local government funds will reach the sum of 60,000 million dinars. It is however to the industrial sector that the authorities look for any improvement in the balance of payments position. Exports of industrial goods are planned to go up by 13 per cent. But there is less insistence upon the gravity of the international position than one might have expected from the measures foreshadowed in the Finance Minister's expose on the long-term plan. The emphasis is on increasing the level of personal consumption and in checking internal inflation. The former aspect is a follow-up to the Resolution on Personal and General Consumption passed by the Assembly in early November, which called for a greater annual increase in the standard of living and which reflected a growing realisation on the part of the authorities that the signs of industrial discontent evident earlier in the year could be better checked by providing the workers with more money and more goods to buy than by further investment in social and governmental services. The 1958 Plan provides for a 8 per cent increase in the level of personal consumption; an 11 per cent increase in investments in the consumer goods industries; and an increase of 3,000 million foreign exchange dinars in the amount spent on imported consumer goods. At the same time, however, stricter conditions will be applied to the purchase of consumer goods on credit (i.e. hire-purchase agreements). The value of goods bought under various kinds of " consumer credits " has risen sharply throughout this year and it totalled over 64,000 million dinars at the end of October.

The Federal Budget for 1958

The Minister of Finance (M. Avdo Humo) dealt in great detail with plans to combat inflation when he presented the Federal Budget on 21st December 1957. It is an attempt to limit real governmental expenditure to the 1957 level. In 1957 the total budget was \$893 millions with \$396 millions for defence and in 1958 \$1,117 millions and \$595 millions respectively. The absolute and relative increase in defence expenditure is to be noted although it is claimed that the increases as between 1957 and 1958 in both the total budget and the defence expenditure can be explained by new accounting arrangements in respect of foreign exchange valuations and local taxation provisions. In December 1956 the Defence Minister said no foreign military aid would be required for 1957

26. Despite the hopeful note on which 1957 ended, the early months of 1958 brought a note of disquiet on the internal economic scene, and the authorities were preoccupied by problems of the levels of prices and wages and of the organisation of labour. There was a sharp rise in the cost of living and a fall in real wages. In his New Year message the President castigated the retail and distributive trades for inefficiency and for making unjustified profits. In mid-February new measures were introduced to stabilise prices. The unequal distribution of wages and bonuses had created discontent in industry which actually resulted in a strike at the end of January in the coal mines at Trbovlje in Slovenia. On 6th February (although it was not made public until the end of the month) a special circular letter was issued by the Executive Committee of the Communist Party criticising abuses of privilege and power which had developed in Yugoslav society. The abuses attacked were not all economic in character and no doubt the letter must be read in conjunction with the preparations for the Party Congress in April. But it indicated the Government's concern at the possibilities of labour unrest and the consequences of decentralisation of economic authority and the abuses disclosed in the system of " social self-management " in industry.

27. Speeches at the April Congress seemed to indicate that doctrinaire decentralisation may have gone far enough if not too far. Some enterprises were able to make excessive profits owing either to favourable market conditions or to the fact that their efficient capital equipment was the result of heavy investment of the community's funds early in the post-war period; they are in future to pay a proportion of these " windfall " profits into a central fund to subsidise less well placed enterprises. Wage-rates are to be made more uniform throughout industry. Co-operation and mergers are to be encouraged; and the mechanism of the market is to be more strictly controlled and rationalised.

28. The principal new idea emerging is that the trade unions are to be the main instrument for carrying out the Government's economic policy. This was emphasised by the election of M. Svetozar Vukmanovic-Tempo, hitherto Vice-president of the Executive Council and responsible for economic policy, to the Chairmanship of the Central Council of the Trade Unions Confederation.

29. The breach with the Soviet Union which developed early this year and came to a head at the April Congress and the unilateral decision of the U.S.S.R. to postpone the Soviet (and East German) credits on May 28th 1958, will obviously cause serious repercussions in the economy. These matters are discussed more fully below.

Agriculture

30. As mentioned above, the main emphasis of the Five-year Plan is on increased investment in agriculture, particularly in mechanisation and fertilisers. There are State and collective farms, but 90% of the land remains in small holdings limited to a maximum of 10 hectares

31. The 1957 harvest was an excellent one for all grain crops and the total of agricultural production for 1957 is claimed to have been 35% above 1956. For the first time for some years there was a surplus of maize for export 300,000 tons mainly to the Soviet Union and East Germany.

32. This spring has been the latest for over 50 years, and, consequently, the 1958 harvest is not likely to reach the level of 1957 although it is early yet to predict. Substantial imports of agricultural machinery are planned for 1958 from the U.S.S.R., Czechoslovakia and the United Kingdom. An Agricultural Bank was set up in April and the agricultural co-operatives have been reorganised.

Industry

33. The general index of industrial production for 1957 was 17% above 1956. According to official statistics the indices for the last 5 years have been:—1953, 68; 1954, 78; 1955, 91; 1956, 100; and 1957, 117. The corresponding figure in 1939 was 38. The following industries showed the greatest increases over 1956:—electrical goods (35%), food processing (30%), ore (29%) ferrous metals (25%) and rubber (25%).

34. Industrial output in the first four months of 1958 was 14% higher than the corresponding months of 1957. The leading industries were tobacco (78%), electric power (27%), electrical equipment (25%), food processing (17%), ore (14%), steel (13%). There was only a negligible increase in output of coal.

35. The rise in the production of electricity is mainly due to the continuous development of hydro-electric resources. Large investment in Macedonia is planned for 1958 amounting to 14,000 million dinars. A large part will be spent on the Mavrova hydro-electric scheme, and new factories are to be set up or existing ones enlarged for the production of synthetic fibres, detergents, caustic soda, shoes, leather, textiles, sugar and welded steel pipes.

36. A small « zero energy » nuclear reactor, designed and built near Belgrade had its first test on April 29th. It is fuelled with natural uranium and moderated with heavy water, both supplied from Russia, and will be used for research into reactor operation and design.

37. Plans have been approved for the construction of six television stations. The statistics of road motor vehicles, registered as at 21st December 1957, show a notable increase compared with the number a year earlier, though the total is still very small when considered in terms of population. There was an even greater increase in the numbers privately owned.

Trade and Balance of Payments

38. Yugoslavia's balance of trade is permanently in deficit, remedied mainly by United States aid and by various foreign loans. Yugoslavia has observer status at O.E.E.C. but is not a full Member. She enjoys the benefit of liberalisation of trade between Members and Western export controls are not applied to her.

39. While the steady increase in industrial production has been reflected in an appreciable rise in the value of exports, the balance of payments position has not improved as the value of imports has been increasing at an even greater rate. The pattern of trade for 1957 is set out in Appendix 1. The trend for the first three months of 1958 is worse than 1957, and exports have been affected by the fall in world commodity prices and by the American recession. There is discussion that too many enterprises are engaged in foreign trade and it

is suggested that the number should be much reduced. This would amount to a return to the pre-1952 system and a similar system to that practised by the other Communist countries. There is an acute shortage of transferable foreign exchange.

Economic relations with other countries

40. On 23rd October 1957, after the recognition by Yugoslavia of the East German Government, all United States aid programmes were made subject to review. All military aid has ceased. In January last, however, approval was given for the continuation of economic aid and the signs are that this will be increased. Aid from the United Kingdom continues and is likely now to be increased.

41. On 28th May 1958, the Soviet Union suspended the 1956 credit agreement under which she (and, in respect of aluminium, East Germany) would provide Yugoslavia with credits totalling S 370 millions in the form of gold and foreign exchange, for the purchase of raw materials and equipment and for the development of fertiliser and aluminium production. If it is desired to proceed with this planned investment, it now seems that Yugoslavia will have to look to the West for the credits.

42. As well as the Communist bloc countries, Yugoslavia has, during 1957-1958, made trade agreements with Spain, Argentina, Egypt (whose trade expands fast), Austria, Italy, Switzerland, Greece (including the export of electricity), France, the Benelux countries, Chile, Brazil, Paraguay, Indonesia, and, despite the recognition of East Germany, West Germany.

43. Figures published by the Federal Tourist Association show that a total of 498,449 foreign tourists visited Yugoslavia last year compared with 393,670 in 1956 and stayed 1,960,345 nights in the country. The largest number of tourists came from West Germany (120,000) followed by Austria (70,908), France (57,185), Italy (40,264) and the United Kingdom. About 53,000 came from the countries of the Soviet bloc (East Germany, Czechoslovakia, Poland, Hungary, the Soviet Union and Rumania).

1.1.3. C. Internal Political Situation

Elections

44. Local elections were held in October 1957. A notable feature was the presence of twice as many candidates as seats, many candidates being nominated independently by local groups. Republic and Federal elections were held in April 1958, but in these the single list was generally applied and a choice of candidates existed in only about ten constituencies.

Congress of Workers' Councils

45. Decentralisation of industry and " self- management " in the workshops were the main themes at a Congress of Workers' Councils held in September 1957. M. Humbert Droz, General Secretary of the Swiss Social Democratic Party, who attended as an observer, reported that he was pleasantly surprised by the absence of the usual Communist propaganda. " On all points of the agenda the delegates made frank, serious, matter-of-fact and often critical comments. The same demand was voiced in all committees—the demand for more powers to be given to the Workers' Councils... This development cannot be reversed. It is bound to have an effect on Government policy and on the political structure of the State. "

Political Freedom

46. Despite the well-known fact that, compared with other Communist States, there is a less oppressive atmosphere and more freedom of ordinary speech in Yugoslavia and, in contrast to the encouraging report of M. Droz on the discussions at the Congress of Workers' Councils, political liberty appears non-existent. In *The New Class*, Milovan Djilas, writes: " No law prescribes that the judiciary and the prosecutors should be controlled by the secret police and the Party Committee, but they are... The political trials in Yugoslavia are only pocket editions of the Moscow Trials... Persecution of democratic and socialist thought which is at variance with that of the ruling oligarchy is fiercer and more complete than persecution of the most reactionary followers of the old regime... the last named are less dangerous since they look to a past which has little chance of returning and reconquering. " The treatment of Djilas himself, partisan leader and former Vice-president, and of two old socialist leaders, Krekic and Pavlovic, provides eloquent testimony in support of this view.

47. Milovan Djilas, expelled from the Communist Party in 1954 and sentenced to 18 months' imprisonment in 1955, was arrested in November 1956 for writing an article in the American New Leader in support of the Hungarian Revolution and in December 1956 was sentenced to 3 years. In October 1957 he was sentenced to a further 7 years "strict imprisonment" for spreading hostile propaganda against Yugoslavia and insulting a friendly Power (i.e. the Soviet Union) through the publication in the United States of his book *The New Class*.

48. Also in December 1957, two well known and respected old Socialists were arrested; Bogdan Krekic, former General Secretary of the pre-war Trades Union Congress of Yugoslavia and executive member of the old Socialist Party, and Dr. Alexander Pavlovic, Vice-president of the old Socialist Party. After a trial, which was only partially held in public, in February 1958, which was described by the Manchester Guardian as "a macabre trial" in which "the charges ranged from the ludicrous to the fantastic", they, together with a professor of law and a professor of theology, were sentenced for having plotted to overthrow the Government:—Pavlovic to 8 1/2 years and Krekic to 7 years. For men over 70 years old, these sentences are virtually death sentences and as *The Times* said (20/3/58) "have all the bludgeoning ruthlessness of Communists anywhere". Another distressing feature—was the attempts of "character assassination" in this case, as with Djilas, by smear and innuendo.

49. These trials aroused great interest and indignation in western socialist and trade union movements. Protests were sent by many trade unions, the British Trade Unions Congress, the Labour Party, the I.C.F.T.U. and the Socialist International. The Socialist International asked the Yugoslav Government to allow a delegation consisting of Aneurin Bevan, Haakon Lie and Otto Probst to visit the prisoners. This request was refused, and all attempts to intervene were rudely brushed aside with charges of interference in Yugoslavia's internal affairs. Walter Padley M.P., President of the Union of Shop, Distributive and Allied Workers, who took a leading part in the campaign, summed it up thus: "It is no answer for the Yugoslav Communists to pretend, as they did at the time of the Djilas trial, that these trials are their affair alone. The spirits of men like Djilas and Krekic belong no more to their own native land than the spirit of Socrates is the possession of Greece, or that of Voltaire the possession of France. The fate of those who assert the freedom of the human mind against tyranny is the concern of free men everywhere, just as the fate of Yugoslavia at the time of the break with the Cominform was the concern of Socialists in all lands. Those of us who admired the courage of the Yugoslav people at that time and hoped for a democratisation of the regime found, even in these trials, the qualities we admired—in the courageous assertion of democratic and socialist ideas by the victims and the gallant defence conducted by the women lawyers". (*New Dawn*, 22/2/58).

50. Apart from these outstanding cases which hit the headlines in the world press, there would seem to be many other cases. A slight increase in "hostile activity" against the Yugoslav Communist regime in 1957 was reported in an annual Government survey in April last. It said there were 885 cases of criminal offences against the State and people in 1956—the last year for which final figures were available. The vague nature of such charges and a minimum penalty of 5 years' imprisonment appear from the excerpts from the Criminal Code given in Appendix 2.

51. In June 1958 it was reported that a number of Cominformists who opposed the break with Russia in 1948 were arrested. Reports give varying estimates of the number from 40 to 200.

The Congress of the League of Communists

52. The issue of a special letter to combat the growth of corruption and bureaucratic abuses in March 1958 is referred to above. Party meetings were organised throughout the country to discuss it and Marshal Tito personally associated himself with the campaign. No doubt this was, in part at least, a preliminary to the oft-postponed Congress.

53. A new Party programme was approved at the Congress which met at Ljubljana on April 22nd 1958. The main issues were concerned with Soviet relations and are dealt with below. Features affecting internal matters are:

- a. An emphatic restatement of the policy of economic decentralisation and self-administration in the factories;
- b. Emphasis on the need for a higher degree of personal freedom;
- c. Approval of a new Party Statute including new paragraphs extending the rights of local Party organisations and individual Party members as regards free discussion of all matters of internal policy.

54. Congress elected a new Central Committee (enlarged to 135 members), confirmed Tito as Secretary-General, and appointed a new Executive Committee of 15. The Party Secretariat is enlarged to 5 members: President Tito, Vice-presidents Kardelj and Rankovic; Defence Minister Gosnjak and the Head of the Trade Unions, Vukmanovic-Tempo.

1.1.4. D. Relations with other countries

55. At the end of 1955 Soviet leaders made public apologies to Yugoslavia for her treatment by Stalin, Molotov, etc., after the break with the Cominform of 1948. Most of Tito's arguments against Stalin seemed justified in the light of Khrushchev's speech to the Soviet Communist Party early in 1956 and the Cominform was dissolved in April of that year. As a result relations between the U.S.S.R. and Yugoslavia were greatly improved. However, they soon began to deteriorate as Tito took sides with those elements in other satellites (particularly Poland) who showed unseemly haste in their desire to transform Khrushchev's words into facts.

56. By mid-1956 Tito had obtained a statement from Khrushchev recognising the "equality of Socialist States" and their right to pursue different "roads to Socialism". Relations, however, again became strained when Tito discovered that Moscow had privately circularised the satellite Communist Parties emphasising the dominant role of the Soviet Union and he replied by supporting Gomulka.

57. During the Hungarian uprising, however, Tito refrained from outright condemnation of the Soviet policy, blaming Stalinist policies for the events in Hungary and preferring Soviet intervention to the destruction of "Socialism". Even when Nagy was arrested after leaving the Yugoslav Embassy with a guarantee of safe conduct, there was no sharp Yugoslav reaction—although a protest was sent to the Hungarian Government.

58. By the end of February 1957, the Yugoslav Government accused the Soviet Union of "leading a campaign to isolate and discredit Yugoslavia", following a series of attacks. However, it is believed that Tito thought these attacks sprang from the Stalinist elements in Moscow and that Khrushchev was on his side. At the end of May, Tito announced that the hostile Soviet campaign had been called off, and good will was strengthened in June by the removal of Molotov from power.

59. On 18th July Tass announced that a Moscow meeting had taken place between leaders from the Soviet Union, Yugoslavia, Bulgaria and Albania—Yugoslavia being represented by Vice-presidents Kardelj and Rankovic. This was particularly significant in that M. Hoxha of Albania had been one of the bitterest critics of Tito, and the Bulgarian Communist Party had been second only to the Albanians in their attacks. A joint Albanian-Soviet statement expressing hope for better relations with Yugoslavia had been issued the previous April.

60. At the end of July, a new Soviet-Yugoslav agreement was signed providing for economic aid to the amount of \$250 millions for aluminium, hydro-electric and fertiliser projects. It reinstated part of the agreement abandoned by Russia after the Hungarian revolution. Technical assistance from East Germany was also involved. In August, Khrushchev and Tito met in Rumania.

61. On October 15th the Yugoslav Government announced its recognition of the Communist Government of East Germany and on 19th the West German Government broke off diplomatic relations. World press comment was hostile to Yugoslavia, and the view was freely expressed that she was again a Soviet satellite, stopping short only of a military alliance.

62. The reaction of the United States Government is reported above in the section dealing with economic matters. It was widely believed that Yugoslavia had been assured that Russia would offset any loss of credits from the U.S.A., yet in December Tito is reported as having given assurances to the U.S. Ambassador that he intended to continue a fully independent foreign policy.

63. The new harmony was of short duration and before the end of 1957, begun probably by the dismissal of Marshal Zhukov at the end of October, two weeks after his visit to Yugoslavia, new differences were to be seen.

64. During early 1958 the exchanges between Moscow and Belgrade became increasingly acrimonious. In April, the Soviet magazine *Kommunist* made a sweeping attack on the draft new programme prepared for the Yugoslav League of Communists' Conference, insisting that it could not remain unanswered because it contained "obvious divergencies from the fundamentals of Marxist-Leninist theory". This programme was the basis of the new break between the Soviet Union and Yugoslavia.

65. The Ljubljana Congress was the scene of sharp attacks on Soviet ideology and foreign policy and, at one point, all the East European observers, except Poland, walked out in protest. Tito refused to amend the programme except on minor points and counter-attacked the Soviet Union. Foreign policy decisions which offended the Soviet Union were:

65.1. Re-emphasis on the existence of varying roads to Socialism;

65.2. Defiance of the bloc policy in East and West, but with emphasis on Stalin's responsibility for provoking the present state of international tension;

65.3. Refusal to concede that Socialism is exclusively the property of the so-called " Socialist bloc " and stress on the need to co-operate with all elements associated in oneway or another with the basic Socialist idea (i.e. principally the Social Democratic Parties).

66. Since Ljubljana, the attacks and counter- attacks have continued, culminating in the unilateral postponement of economic aid by the Soviet Union in May 1958. On June 3rd, Khrushchev personally attacked Tito and declared that the decision against him in 1948 was " basically correct ".

67. The announcement of the execution of Imre Nagy and his associates completed the breach for the Yugoslavs who took this as a direct insult, in view of Nagy's asylum in the Yugoslav Embassy in Budapest.

68. The Brioni Conference between Colonel Nasser and Tito at the beginning of July and Yugoslavia's rapid recognition of the new regime in Iraq show Yugoslavia's desire to strengthen her relations with the uncommitted countries and particularly with the United Arab Republic.

1.1.5. E. Conclusions

69. Yugoslavia, despite many superficial differences in internal organisation, remains essentially a Communist State, with the Party controlling and dominating all political, economic and social activities. For this reason there is a total absence of political freedom and free discussion in any sense understood in a democratic society. It may be that there are important elements in the country who would favour a relaxation of Party dictatorship. But behind the ideological controversies, both within the country and between Belgrade and Moscow, lies the reality of power and self-preservation. There is no 'half-way house' between totalitarian and democratic government, nor between allegiance to the Communist bloc with complete submission to the will and leadership of the Soviet Union, and being outside it and independent of Moscow.

70. The key to the puzzle of Yugoslavia's relations with the Soviet Union, and thus to the whole Communist bloc, is likely to be discovered in a study of the policies of the Kremlin rather than those of the Yugoslav leaders. The successful bid for an independent foreign policy and the break in 1948 had achieved the triumph of Khrushchev's public apology and reconciliation of 1955, by May 1958 there was a new breach. This seemed inevitable in the light of new Soviet policy towards the satellites after Hungary, reversing the trend of Khrushchev's famous denunciation of Stalin in 1956. Clearly it was impossible to give a blessing to the Yugoslav determination to have 'varying roads to Socialism' and what amounts to 'national Communism' and 'revisionism' and take a different attitude to such trends in Hungary and Poland, and perhaps elsewhere. Particularly when, in these other countries, their strategic and economic importance to the Soviet Union and its power to enforce its will were both much greater than in Yugoslavia.

71. Therein lies the great significance of Yugoslavia to the West. Although Yugoslavia undoubtedly regards herself as a " Socialist " (i.e. Communist) country and would, in the event of an armed conflict between East and West, be a very doubtful ally of the West, the mere existence of a Communist country outside the control of Moscow provides both a model and purpose to the dissident Communists in the other satellites and in the Soviet Union. The special historical and geographical factors of Yugoslavia, together with the personality of Tito and the fact of his having achieved power without Soviet aid, and indeed in defiance of Moscow dictates, of course, largely explain her special position. It is also in the best tradition of Balkan politics to try and play one side off against the other and the Yugoslavs have acquired great proficiency in this difficult art.

72. Nevertheless, the importance of the ideological controversies and of their repercussions within the whole Communist empire, not excluding China, of the 'Yugoslav affair' has tended to be underestimated by democratic diplomats. In my opinion, they are of great consequence and justify our taking a different attitude to Yugos-la via compared with our approach to all the other satellites—not because we hope Yugoslavia may soon become a 'near-democratic' State, but because of her importance within the Communist world, and especially within the' Communist party which depends to such a large extent on the statement of its dogmas in its own pattern of language and on a uniform ideology.

73. Since the Yugoslav economy is patently not viable, a continuation of economic aid from the West, especially from the United States, is necessary, and also we should endeavour to provide credits, on reasonable terms, to replace those cancelled by the Soviet Union. No political strings should be attached to such credits but pressure might well be exerted independently to seek the release of Djilas and others imprisoned for the free expression of opinion so as to give substance to the Yugoslav claim that freedom of discussion is permitted within the country. It is not impossible that some relaxation may be thus achieved.

74. While it is unlikely that Yugoslavia will identify herself politically with the West, or become a genuine neutral, unless there is a drastic change in Soviet policy, it is equally improbable that she will become again an integral part of the Soviet bloc, except by a pro-Soviet revolution within the country or by Soviet armed intervention-and both these possibilities seem very remote in the foreseeable future.

Appendix 1 A P P E N D I X 1

Yugoslav Foreign Trade — 1957 - Figures in millions of dollars (Si = 300 dinars)

	Exports				
	Imports				
	Total (all countries)	1956 323.37	1957 393.79	1956 474.14	1957 661.84
U.S.A	27.41	33.32	129.22	173.76	
Italy	45.71	53.62	41.03	78.77	
W. Germany.	49.15	51.26	47.39	75.55	
U.S.S.R	42.23	49.17	70.13	69.25	
United Kingdom.	19.56	23.84	32.62	41.87	
Austria	17.26	18.76	19.35	25.06	
Poland	8.95	16.22	7.87	19.24	
Hungary	6.34	11.98	6.39	19.72	
Czechoslovakia	8.18	8.63	12.05	18.96	
Switzerland	16.26	14.85	10.40	11.10	
Egypt	2.53	13.22	4.01	9.01	
Greece	9.77	12.97	5.09	7.86	

Import figures include Economic Aid, very largely agricultural surpluses from the United States.

1. The increase in the value of imports from Italy is striking, although it should be noted that about \$13 million of this was financed from reparations credits. About \$26 million of the imports from West Germany were similarly financed. The rupture of diplomatic relations with the Federal Republic has had little or no effect upon trade.

2. According to the published figures for trade by currency area, the value of exports to the Eastern bloc, which amounted to \$105.4 million or 27% of total exports in 1957, was 42.6% more than in the previous year. Imports from the same area were 36.4% more. Exports to the EPU countries, on the other hand, were at almost the same level as in 1956, although imports were almost 50% higher. The value of exports to the sterling area was \$36.2 million or 25.7% more than in 1956, and imports from the same area amounted to \$67.4 million or 22.5% more than in 1956.

Appendix 2 APPENDIX 2

- Excerpts from the Yugoslav Criminal Code

ARTICLE 100

Whoever commits an act aimed at overthrowing by force or in any other unconstitutional way the authority of the working people, or elected Federal republican, autonomous or local representative bodies established by the Constitution, or executive organs of these representative bodies, or commits an act aimed at undermining the economic basis of the socialist edifice, or commits an act aimed at destroying the unity of the peoples of the Federal People's Republic of Yugoslavia, or at changing the Federal organisation of the State by force or in any other unconstitutional way, shall be punished by imprisonment or by death.

ARTICLE 109

A citizen of the Federal People's Republic of Yugoslavia who, with the intent to overthrow the State and social organisation or to carry out any other hostile activity against the Federal People's Republic of Yugoslavia, comes into contact with a foreign State, a foreign organisation or a specific foreign or refugee group of persons or aids them in their hostile activity, shall be punished by imprisonment.

ARTICLE 117

1. Whoever forms a plot, conspiracy or any other group of persons for the purpose of committing criminal offences under Articles 100-103, 108, 109, 114-116, of this Code, shall be punished by imprisonment for not less than five years or by death.
2. Whoever becomes a member of an association under paragraph 1 of this Article, shall be punished by imprisonment.
3. Whoever rebels against authority with intent to organise an association under paragraph 1 of this Article or to become a member of such association, shall be punished by imprisonment.

The present situation in Poland (Rapporteur : Mr. KIRK²)

A. General

1. Gomulka emerged as the hero of the October Revolution, although he neither led the actual fighting nor framed the ideology, but only took over a programme made by others. For a couple of months he was more popular than any other leader has ever been in the history of world communism. For the masses as well as for the intelligentsia he embodied the indomitable will to freedom of the Polish nation. This is no more so. Although the reins of power are still in his hands, he has lost the confidence of many of those who brought him to power. The basis of his power lies outside Poland. As a matter of fact Polish politics are governed by factors outside Poland itself, such as the Kremlin and the fear that a breaking of the Warsaw Pact would endanger the Western frontiers. However, it would serve no useful purpose merely to point out that really free elections which were not dominated one way or other by foreign influence would sweep away the present Government and leave Gomulka the leader of a minority group. An analysis of the present situation seems of much more importance. It cannot be denied that Gomulka has moved far from the days of national revolt and that the differences between Communist Poland and Communist Russia are no more what they were at the time of the October Revolution. The reason for this is not far to seek. The Hungarian Revolution fired the imagination of the young generation of the satellite countries, and an intellectual fermentation is taking place all over Soviet Europe that will ultimately dissolve that Empire, provided that Western democracy does not give up the balance of power that dominates world policy at the present moment. Communist leaders have not been slow to grasp the fact that "national" or even "moderate" communism may easily "degenerate" into democracy and lead to the defeat of communism itself. This is why Tito betrayed Imre Nagy and it is the main reason why Gomulka has sought the friendship of the Kremlin and given up the sovereign power of Poland. It is hardly open to doubt that if Gomulka had to choose between East and West, he would "go East". He is no doubt genuinely afraid of revolutionary changes in the satellite countries. This does not mean that he regards Poland as a Russian colony or that he would be ready to toe the line under all circumstances.

2. On the basis of notes prepared by M. Bôgholm.

2. Poland must still be regarded as the most " liberal " country in the communist world, more liberal indeed than Tito's Yugoslavia. On the other hand, Gomulka must be more cautious in stressing national independence than Tito, at any rate as long as he has not got the same sort of contact with the West as Tito. This fact is clearly brought out by two events from the last few months. One of these involved relations with the now heretical Yugoslav Party, with which the Polish Communists of the Gomulka faction had developed an extremely close affinity. The other issue was the recently-announced murder of Imre Nagy and his associates, for whom the Poles had long shown undisguised sympathy . On 28th June, in a speech delivered at Gdansk, Gomulka laid down the official Polish line. The date of this pronouncement is as important as its contents: it took the Poles several weeks to join in the wide chorus of reproaches addressed to Yugoslavia, and eleven days to approve officially, though equivocally, Nagy's execution. Even then, the remonstrances directed at Tito were tinged more with sadness than ire. Gomulka's justification for his stand was that Yugoslavia had endangered the unity of the " Socialist Commonwealth ". Similarly, he attacked Nagy for having been a " revisionist " instrumental in weakening the Soviet 6Zoc because he had failed to prevent an attempt to overthrow the " Socialist" order in Hungary. Gomulka added, however, that the executions were an internal Hungarian affair, an opinion not shared by other leaders in the orbit, who had immediately offered their unqualified approval of the murders.

3. Polish communism seems to be split up into four different groups. To the right—according to Communist terminology— is the Natolin group, which consists of the Stalinists and seems to have been able to exercise an astonishing influence at the tenth Party conference. The leaders of this group are Mijal, Witaszewski, Ruminski and perhaps Zawadski. The central group gathers round Gomulka and its leading theorist is Adam Schaff. This group is not easy to define, as party tactics play a dominant role for many of its members. Generally speaking they assert that Soviet communism decayed because it abandoned the Leninist ideology of a " democratic centralism " that allowed free discussion on all points within the Party until a vote had been taken. It is one of the main principles of M. Schaff that " real freedom of discussion " can only be allowed inside the Party itself. The third group, which is headed by Hochfeld and Helena Eilstein, is a real revisionist group the adherents of which may even seem to be a sort of pre-Lenin communists. They often quote the words of Rosa Luxemburg that a revolution which is carried out without due regard for law, freedom and democratic rights will degenerate into a system of despotism. The spokesmen of the last group, above all Kolakowski and Szaki, call themselves Marxist humanitarians. Their first demand is a society that guarantees freedom from fear to its citizens. They reject violence as a political means. The young Polish philosopher Kolakowski is a man to be watched by all who take an interest in the future of the Polish nation. He joined the communist party at a very early age and is still strongly influenced by Leninist ideology. He often stresses the importance of the idea of freedom, but he is only in favour of free discussion " of ideologies based on the principles of Socialism ". He is against the re-introduction of a multi-party system. Kolakowski is for the time being a seeker who has not yet found his way. No more incisive and pungent indictment of totalitarianism has ever been written than Kolakowski's essays *The End of the Age of Myths*, which remain yet to be published in Poland, but which were published just about a year ago by *The New Leader*. Here he defines the totalitarian State as a State " in which a person who has committed no crime sits at home waiting for the police, in which there are more spies than nurses and more people in prisons than in hospitals " There can be no doubt about his sincerity in trying to analyse the crisis of conscience through which many a young communist is passing now. He does not as yet reject the principle that the end may justify the means, but he has of late become fairly critical as to both ends and means. In spite of heavy attacks by Soviet-inspired writers he continues his ideological criticism. In September last he wrote a series of articles in the *Nowa Kultura* which have been characterised as the most far-reaching criticism ever written by a communist under a communist rule. Moreover he does not restrain himself to the role of a critic. " No one ", he says[^] " is exempt from the moral duty to fight against a system of government, a doctrine or a social order which he considers vile and inhuman, by resorting to the argument that he finds them historically necessary ". In another article, he says : " It would be far from the truth to say that the ways of thinking, feeling and doing things which have been criticised here have been completely eliminated; they are patently possessed of a virulent vitality ". The name of Kolakowski soon became the watchword of revisionism not only in Poland, but all over Soviet-dominated Europe. As the communist State, more than any other State, is based upon theory, revisionism is a potential danger for the whole Soviet system. That is why it is repudiated not only by the orthodox communists, but by the Khrushchev brand of communism as well. Immediately after the Moscow declaration by the twelve communist parties, the *Pravda* and the *Izvestia* started a violent campaign against revisionism, the inevitable fruits of which would be the emergency of " national communism ", the rejection of Russian leadership and the destruction of communist unity. So far, only three men have been singled out for special treatment: the Hungarian " fascist " Imre Nagy, the Yugoslav " renegade ", Djilas, and the Polish philosopher Kolakowski. In February the *Pravda* quoted Kolakowski as having put the question: " Has the very conception of Marxism retained any meaning ? " and according to the same source, Kolakowski's answer to his own question was that the same paper is of the opinion that revisionism can be traced back to " Social-Democracy, Trotskyism,

anarcho-syndicalism etc. " In Rumania, Kolakowski was attacked as a bourgeois by the *Contemporanul*, and in Czechoslovakia, an attack by the Czech theorist Filiec was broadcast in order to ensure a big audience. In May 1958 he was strongly attacked in a meeting of the Press Commission of the Central Committee of the Polish Communist Party. Thus, Andrij Werblan, Chief of the Propaganda and Agitation Section of the Party, stressed that " all the views expressed by Kola-kowski in the *Nowa Kullura* are basically contradictory to the position and ideology of our Party ". He censures the views of Kolakowski as " revisionist and as an inadmissible operation... having transformed the truth about dogmatism into a real anti-socialist absurdity... confronting us with several old and hackneyed Social Democratic arguments about the role of parliamentarianism, or anarchistic musings about the demoralizing effects of political power ". A few days later, at the Ninth Congress of the Central Committee of the Polish Communist Party, Gomulka himself attacked Kolakowski very severely. It is hardly surprising, therefore, that the editor-in-chief of *Nowa Kultura* was dismissed in May. This is one of the elements which proves that press control has been tightened up since the last Congress of the Central Committee.

4. It is, however, undeniable that this fermentation has not yet finished between the young intellectuals of Poland. This fermentation, which may well lead to the defeat of Polish communism in the cultural field, is at the background of the new stricter enforcement of censorship. In the Western sense of the word, the Polish press was never free under Gomulka, but it was nevertheless able to bring rather objective information about the Western world and to put forward certain views that were not in conformity with the views held by the Government. Therefore, the closing down of *Po Proslu* may well mark an epoch. The comment by the official weekly *Polityka* which is generally taken to represent the views of Gomulka is, at any rate, rather disquieting. " Freedom of speech ", writes *Polityka*, " ends at a point where agitation and propaganda against the social construction of this country begin. We do not prohibit different views provided that they are not directed against the foundation of our system ". The editor of *Po Proslu*, Turski, and the former editor, Lasota, were, together with eight others, expelled from the Party but it is not uninteresting to note that Lasota was allowed to keep his mandate as a member of the Sejm. The Polish journalists who had fought hard for the freedom of the written word seem to have given up hope for the time being. The most striking proof of this is that, on 8th October 1958, the young Polish writer, Marek Hlasko asked the authorities of the Federal Republic of Germany for asylum on political grounds. The leadership of the journalists' union has been left intact, but it seems to have pledged itself to active propaganda for the Party line. There is a certain amount of self-criticism in the resolution adopted by way of compromise, but the opening passage should not be overlooked, stressing as it does that the journalists are " proud of the fight for the improvement of the Party, the démocratisation of the country, the living standard of the masses and economic recovery ". The relative liberty of the press has gone and promises made during and immediately after the October Revolution have not been kept. Certain articles and speeches constitute today a rather curious reading: " I n October the Party rallied round the nation, and the nation granted political leadership to the Party ". (*Tygodnik Powszechny*). " Th e duration of the agreement depends on whether the Party will carry out its own resolutions ". (The same paper). At the Eighth Party Conference Gomulka said " one cannot escape from the truth. If it is kept secret, it will emerge as a threatening ghost ". At the Ninth Party Conference Gomulka talked more about centralisation than about democracy and liberty, but he still rejected the idea of a monolith State. These were the times when anti-Stalinism was in vogue. The Minister of Agriculture, M. Ocham, first secretary of the Party in the pre-October days, answered the attack by the Stalinists on the new policy with the words " We have had enough of speeches written with imported ink ". Although this declaration constituted a reply to the Stalinist leader Mijal's charges that Gomulka's road to communism consisted in a " capitulation to capitalism ", the real attack was certainly directed against the Kremlin intervention in the domestic politics of Poland. At the Tenth Party Conference Gomulka left the middle of the road policy in order to fight revisionism. He did not deny the existence of a " dogmatic " (i.e. Stalinist) faction, but said that the best way of defeating dogmatism would be to defeat the revisionists. Revisionism, he went on, is much more dangerous than dogmatism, because it provokes an ideological chaos and breaks up party unity. The dogmatists' faults consist above all in their longing for a return to former methods, whereas " Socialism would glide into an abyss " if the revisionists had their say. Gomulka's collaboration with the Stalinist elements is certainly a source of danger, but it would be too early to maintain that he has turned a Stalinist himself as some of his enemies seem to think. Only a few months ago, M. Adam Schaff, who is his chief lieutenant in the ideological field, wrote: " The political and moral shock of the preceding period dealt a mortal blow to blind faith. Anyhow, we in our country shall not return to it, as such attitudes, once shattered, do not lend themselves to reconstruction. Application of force is useless in this respect ". And, as for Gomulka's own speeches at the Thenth Party Conference, the published version of the conference proceedings are known to be incomplete. The prepared speeches seem to have been published, but not Gomulka's interventions in the debate. Gomulka is said to have been infuriated by the violence of the different Natolin (Stalinist) speeches and to have answered in unmistakable language. He is even said to have referred to the Natolin leader, Mijal, as a foreign agent (i.e. of the Soviet Union). Another of the Natolin leaders, Mazur, who is said to be the most intelligent of the whole faction, has been sent as

Ambassador to Prague which, under the circumstances, must be regarded as a sort of political exile. At the same time, very severe sentences were passed on the former deputy Minister of Public Security and his henchmen. All this tends to show that Gomulka has not given up his ideas of a Polish "road to communism" as opposed to the Russian road. On 5th November, the Pravda published an article by Gomulka in which he stressed the differences between the various "national roads to communism". In the same issue the Albanian leader, Hoxha, stressed the importance of ideological and political unity in the communist world.

B. Economic situation

5. Right up to the October Revolution Poland was treated as a Russian colony and no proper compensation was given for the so-called exports to Russia. After Gomulka had taken over, this was fundamentally altered and, generally speaking, Russia pays world prices for her imports from Poland. But Polish economy has not as yet succeeded in creating a favourable climate for Polish production. The standard of living of the Polish workers is extremely low, even when compared with that of other satellite countries. This is probably the reason why no standard of living index is published. On 1st January 1956, the chief planner, Mine, boasted that wages had increased by 26% between 1949 and 1955, but the new Polish Prime Minister said the other day that the figure given by Mine was exaggerated and he himself estimated the progress as being about 11%. At the same time he made it clear that by no means all workers had been given this wage increase and he went so far as to admit that real wages for hundreds of thousands of workers were less in 1956 than was the case in 1949. Gomulka himself did not mince his words when he commented upon the Six-year Plan (1950-1956) "It did not fulfil the expectations" he said, "it only left a greater embitterment". As the standard of living is very low, the prices of food and clothing are more important than in the Western countries. For example, in 1913 food expenses amounted to 50% of the workers' budget, but in 1957 the percentage had risen to 69.7%. As for clothing, the figures were 10% in 1913 but 18.2% in 1957. These figures may well be taken as indicative of conditions in Poland although one should bear in mind that economic conditions are worse in Poland than they are in Russia. On 15th February, the Polish Central Statistical Office published and reported on the execution of the 1957 Plan. The industrial output was 9.6% greater than that of 1956. Whereas some consumer goods showed progress, the steel production went down by nearly 40%. The well-known economic Communist writer Brzeski criticised the new plan as follows: "It sets out a programme of action uniform as life itself. A programme which promises only gradual and slow, imperceptible changes". In a speech before the new Sejm on 26th February, the Prime Minister strongly rejected all ideas concerning liquidation of centralised planning in the sector of national economy which would be in contradiction to the Socialist system. At the same time he rejected all proposals for placing industrial enterprises in the hands of the workers as has been the case in Yugoslavia. The Vice-Premier, Jedrychowski, is chief planner of the present Government and represents the dogmatic communists' point of view, but it seems lately to have met with strong opposition from the Economic Council, which is headed by the well-known economist, Oscar Lange. When the Vice-Premier stressed that there could be no question of any change in the system itself to the detriment of the social sector, the Economic Council came forward three days later with a plan for the radical reorganisation of the national economy, according to which operational management is to be transferred from the Ministries to independent factories in 1958. The factories would be subordinated to a central leadership or to territorial associations but all these authorities will no longer administer individual economic branches or enterprises but only co-ordinate and supervise.

6. All the satellite countries used to be great exporters of agricultural products but, after the introduction of the Collective System, this is no longer the case. In 1955 Poland had to import more than 1 million tons of grain. Collectivisation was a rather costly affair for Poland. According to the Party newspaper Trybuna Ludu, of 27th September 1957 the Polish State invested nearly 5 billion zlotys for that purpose during the years 1952 to 1955. It can thus truly be said that collective farming has proved a failure all over Eastern Europe. Collectivisation was certainly not part and parcel of the Gomulka ideology. On the contrary, it was carried out against his wishes. The peasants simply took the law into their own hands and he had to bow before the accomplished facts. Collective farming hardly exists any more in Poland. Out of the 10,600 collective farms with an area of 1,825,000 hectares, only 1,900 farms with an area of 3,000 hectares remain. During the new agricultural policy, production has gone up. In January this year the Minister for Agriculture, M. Ochab, told the Sejm that production had increased by 4% which was more than anticipated in the Plan. The breakdown of collective agriculture may be illustrated by an account of the conditions existing in one of the most fertile districts, Lubelski.

7. Out of 18,555 houses there are only 4,744 which do not require major repairs. 100 families still have to live in dug-outs covered with planks. On 3,000 farms there are no farm buildings nor any living accommodation. In this district only 5,000 buildings have living accommodation and 16,000 other farm buildings are required. What has been accomplished makes rather sad reading. 214 buildings were constructed in 1949

and since that date only 53 more buildings were "put up. Polish industry is in dire need of great capital investment. That is why Poland is a regular customer on the Loan Market. The balance sheet of economic aid for Poland looks as follows:

U.S.: \$ 95,000,000;

France: \$ 30,000,000;

Great Britain: \$ 140,000,000;

Austria: \$ 5,000,000.

Canada has promised to deliver 350,000 tons wheat on a short-term credit. The value of this delivery has been estimated at \$ 20,000,000. From the Soviet bloc, Poland has been promised a credit of \$ 175,000,000, East Germany \$ 100,000,000, and Czechoslovakia \$ 25,000,000. The trade pact with the Federal Republic of Germany is another very important factor for Poland's economy. Trade between the two countries this year will total between \$ 100,000,000 and \$ 120,000,000. It was reported that Poland received assurances of continued investment credits from West Germany which this year have totalled \$ 45,000,000. Whether these credits will be paid or not remains to be seen. At any rate, the value of the Western credits given to Poland has been higher than that of Eastern credits. But on 4th February 1958 a new trade agreement was concluded with the U.S.S.R. This agreement envisages an increase in the volume of trade which by 1960 would amount to about \$ 750,000,000 both ways, that is, about 28% of the total Polish foreign trade.

8. In all branches of Polish industry there is a feeling of unrest and discontent. The continuous strikes are the sign of warning for the Polish Government but perhaps absenteeism sets up a still greater problem, having increased by more than 20% as compared with 1955. Vice-Premier Jaroszewicz did not exaggerate in his speech on the 10th January this year when he spoke about "disturbing phenomena".

C. Gomulka and the Church

9. Special mention must be made of the religious problem in Poland. The Polish people is one of the most Catholic in Europe. Between a third and a half of the communist Party's membership go to Mass every Sunday. Gomulka no doubt knows that he is dependent upon the benevolent neutrality of the Church. This accounts for the strange fact that religious instruction is being given in Polish State schools. At the same time he seems to fear the immense influence of the Primate of the Polish Church, Cardinal Wyszyński. This is why he runs his own private Catholic movement—the so-called Pax Movement—which is headed by the former fascist leader, M. Piasecki. It is a curious fact that the former fascist, Piasecki, in the after-war years turned into a fervent Stalinist, and many people think that he even today is more representative of the Kremlin than of the Polish Government. It should not be forgotten that just before the dramatic events of October 1956, the Warsaw newspaper *Slowo Powszechne* published an article under the signature of M. Piasecki in which the Polish people were warned that any irresponsible Polish move would be likely to provoke Russian measures of a military nature. Now he is leader of one of the greatest organisations in Poland which publishes papers and books and runs a great number of industrial and commercial enterprises. A Polish newspaper wrote a few months ago that Pax has over 66 million zlotys in permanent property, over 100 million zlotys in circulation, including 11 million in hard money in banks and safe deposits of various enterprises. Last year it showed a profit of 100 million zlotys of which no less than 38 million were spent in order to cover the deficit of their political enterprises including all sorts of publications. Pax is exempted from income tax as well as from any kind of payment to the Government treasury from profits. The Pax daily newspaper is, with a circulation of about 200,000, one of the biggest in Poland. In order to understand present-day Polish politics one will have to put the question why this enormous Catholic organisation is being maintained. It seems probable that the Gomulka regime sees in Pax a means of dividing the Catholic population and so preventing its unity under the leadership of Cardinal Wyszyński, who is the greatest figure in Poland today. The State, therefore, is beginning to put difficulties in the way of the Church, though the Church had always tried to avoid difficulties of that kind, so as not to endanger the *modus vivendi* reached between Cardinal Wyszyński and M. Gomulka in October 1956. Thus the Cardinal had always endeavoured to curb the activities of the political group known as *pro et contra* whose principal aim was the formation of a Catholic political party. But on 21st July 1958, Church-State tensions came to a head. The Abbey of Czestochowa had been searched despite the fact that a few days previously the Cardinal and the Public Attorney had agreed that the duplication of religious texts in the Abbey was not illegal. It was also significant that Gomulka's paper *Trybuna Ludu* of the 30th of the same month referred to religion as "the opiate of the people". It may be stressed that such a description of religion has not been noticed for years, even in Soviet Russia.

Developments in Hungary in 1957 and the early months of 1958 (Rapporteur : M. STRASSER)

A. The Economic situation

On 2nd February 1958 the Hungarian newspaper Nepszabadsag published the annual survey of the Central Statistical Office for the year 1957. These official figures, though, in many cases, doubtless "cooked", do give some idea of the economic situation in Hungary.

Industry

Per capita production in 1957 was 3% lower than during the first nine months of 1956. During the same period, however, there was a 17% rise in the production of small industrial undertakings (co-operatives and private enterprise). This is a result of the concessions which the Government made to private enterprise after the Revolution.

Production of various commodities was as follows on the basis of 1955 = 100: coal 95%, oil 42%, cement 84%. As against this fall in the production of raw materials there was an increase in the production of consumer goods, viz.: meat 113%, sugar 121%, beer 116%, motor-cycles 212%.

It is interesting to make a comparison between employment figures and the above statistics. Thus, at the end of September 1957, nationalised industry employed 4,000 more workers than in September 1956, which implies a marked fall in productivity.

As compared with the preceding year the number of administrative and technical employees fell by 19,000 whilst the number of workers in small industrial co-operatives rose by 20,000 and that of small undertakings by 26,000.

According to the survey, in 1957 " industrial production costs were higher than in previous years ", but we are not told by how much. On the basis of the published figures the increase in question would appear to be about 5 %.

Agriculture

With regard to agricultural production in the year 1956/57—in which connection it should be noted that, during that year, agricultural output as a result of favourable weather conditions was the highest since 1945—the survey has this to say:

" In 1957 the area sown with wheat was 10% (285,000 Hungarian cadastral units) less than in the previous year. There was also a reduction in the area sown with sunflowers and sugar-beet. During the same period, the area sown with fodder crops increased by 600,000 units. However, the fact that despite the smaller area of wheat sown, production rose by 5% testifies to an improvement in average output. The production of wine went up by 1,000,000 hectolitres, reaching, in 1957, the record figure of 3.3 million hectolitres.

During that year, 3.5 million metric cwts. of artificial fertilisers were used, or 1 million metric cwts. more than in 1956.

Of the total area under crops 14.4% was farmed by the State and 11.6% by the agricultural co-operatives. In the light of the figures for previous years it can be said that the cultivated area controlled by the Communists (totalling 26%) was 7% less than before the October Revolution.

There was also a decline in forestry production. Between October 1956 and October 1957, the output of timber amounted to 2.3 million cubic metres, i.e. 400,000 cubic metres less than for the corresponding period of the preceding year.

According to the survey, the amount of agricultural produce purchased in 1957 was smaller than in 1956, but no precise figures are given. Here it should be noted that compulsory deliveries of wheat were abolished in 1956, as a result of the October Revolution, and have not been re-introduced.

Transport

In 1957 the transport services carried 127 millions tons of goods, that is 3% more than in 1955. During the same period there was also a 2% increase in passenger transport.

Domestic Trade

The volume of retail trade (State and private enterprise) in 1957 amounted to 52.8 thousand million forints, that is, 20% more than in 1955. According to the survey, stocks at the end of 1957 amounted to 15.5 thousand million forints.

Foreign Trade

In 1957, imports rose by 24% and exports fell by 18%, as compared with 1955. The foreign trade balance for 1957 shows a deficit of 2,000 million forints. This deficit was made possible by the fact that Hungary received a long-term loan from the Soviet Union amounting to 1,200 million roubles.

Over two-thirds of Hungary's imports consisted of raw materials, (imports of raw materials showed an increase of 37% as compared with 1955). Consumer goods and foodstuffs accounted for 20% of aggregate imports. On the other hand, the export of consumer goods was 22% lower than in 1955.

Investment

In 1957, investment fell by 15% as compared with 1956 (in 1956 there was no investment after 23rd October). The value of unused new industrial buildings and plant rose further in 1957, amounting at the end of that year to 13,000 million forints. In 1957 the second major blast furnace of the ironworks at Szralinvaros came into operation. At the end of 1957, the capacity of the electric power network was 8% higher than in 1956. (Here it should be noted that the survey makes comparisons with the year 1956 whenever comparison with 1955 is unfavourable.)

Social and Cultural Policy

In 1957, according to the survey, 76,000 foreigners visited Hungary and 135,000 Hungarian nationals travelled abroad. (Note: The report does not disclose how many Hungarians were able to visit Western countries or how many visitors to Hungary were delegates to the various communist congresses. The subsistence expenses of foreign delegates attending congresses in Hungary are borne by the Hungarian Government).

The eight-year State general schools were attended by 1,260,000 children. Of these only 64,000 attended day nursery schools. Two-thirds of the children who completed their compulsory schooling went on to study in intermediate, industrial and commercial schools. In 1957, attendance at industrial and commercial schools amounted to 90,000, that is 13,000 more than in 1956. This figure also reflects the increase in small industrial undertakings and retail establishments.

In the academic year 1957/58, university students numbered 33,000. A third of them attended the technical faculties.

B. Main features of present-day policy

Although the Hungarian Government's economic policy often seems contradictory and changes from month to month according to the external political situation or economic difficulties, there appear three main determining factors, namely (1) the attempt to corrupt the intellectuals by granting them material privileges; (2) a more liberal policy towards farmers aimed at increasing agricultural production; and (3) the continuation of unplanned economic development in industry with low living standards for workers and employees.

Corruption of the intellectuals

Munnich, the new Hungarian Prime Minister, is endeavouring to create a new aristocracy consisting not of party officials and army officers but, predominantly, of economists, directors, journalists, artists and scientists. Whilst workers, employees and civil servants have to struggle despairingly for a living, steps are being taken to meet the needs of the "new class" by granting privileges and a higher income.

In the centre of Budapest two State-owned textile shops were recently opened, which sell exclusively goods imported from the West. In these shops the price of bale silk imported from Holland is 450 forints a metre and that of English fabrics 600 to 900 forints a metre. Only members of the new aristocracy can afford to pay these prices. Similarly, a new department has been opened in the Ministry of Transport through which, with the consent of the Minister, doctors, artists, economists and newspapermen may buy motor-cars on hire purchase. The cars cost between 43,000 and 52,000 forints and may be paid for in 14 to 36 monthly instalments.

The monthly salary of a journalist³ is 5,000 forints. For leading journalists prescribed supplementary fees may be earned, which may bring their monthly income up to 12,000 to 15,000 forints. Actors, singers and musicians earn about 8,000 forints. Factory managers are granted bonuses and earn up to 7,000 to 8,000 forints a month. Prominent doctors earn about 15,000 forints.

The Institute for Cultural Relations arranges for the comparatively speedy issue to members of this new aristocracy of passports which are valid for two years. On the recommendation of this Institute, the National Bank can supply a limited amount of foreign currency to these privileged persons for travel abroad. In order to ensure high incomes for these persons, newspapers, theatrical organisations, etc., are founded and new posts are created for scientists and economists. The housing authorities are instructed to give them priority in the provision of accommodation. The secretaries of the Party organisations and heads of personnel show the greatest possible indulgence towards the mode of life of this new privileged class.

Another feature of these attempts at corruption is the policy of Government subsidies to the Churches. According to the Hungarian press agency M.T.I., an agreement has been reached between the Government and the Church concerning financial assistance to the Church. In 1957, the Roman Catholic Church received 32 million forints, the Reformed Church 20 million forints and the Evangelical Church 6 million forints. In addition, 14 million forints were granted for the renovation of churches. For 1958, the Churches were granted another 12 million forints. Thus, altogether, subsidies to the Churches amount to 75 million forints. A number of Catholic priests were persuaded to join a Government-sponsored Peace Commission known as Opus Pads, under the chairmanship of Bishop Grose. Some of the priests in the Commission are also employed for direct propaganda purposes. According to the Szeged newspaper Delmagijar-Ország of 23rd January 1958, the members of the Peace Commission have held a "Peace Congress" at Szeged at which the Episcopal Director, Dr. Kornel Pataki, made a pro-Soviet speech.

A more liberal policy towards farmers

The Nagy Government's abolition of the compulsory delivery of crops has been maintained by the Kadar-Miinnich Government. It would appear that this measure, coupled with the introduction of free purchase of agricultural produce by the State, has had some success. In its editorial of 26th February 1958, the Budapest newspaper Nepszava had this to say on the subject:

"... Was the abolition of compulsory deliveries justified? In the light of the experience of the past year we can already give an unequivocal reply to this question, namely, that it was both justified and necessary. Under the new system, purchases of agricultural produce during the past year were not markedly less than the 1956 figure, which included compulsory deliveries. During the past year, farmers sold a great deal more produce to the State undertakings than originally anticipated. They also delivered more beef and pork than in previous years; whereas in 1955, 70,000 tons of pork were delivered under the compulsory system, in 1957 the State trade organisations were able to purchase 100,000 tons. As a result of the farmers being able to sell freely and of better prices, the average weight of the cattle purchased has gone up considerably. At the same time there has been a sharp rise in the quantity of produce sold by the farmers on the free market, that is direct to the consumer. This applies chiefly to cattle and dairy produce, especially meat, , fat, poultry, milk and eggs. Deliveries to the Budapest markets were 90% higher than in 1956 and, as a result of the greater supply, the average price level was somewhat lower. What is more, the peasant population has also been able, during the past year, to retain ample supplies of agricultural products and has no longer had to rely on State reserves. This state of affairs is illustrated by the fact that, during the past year, the shops sold 100 million kilogrammes of bread and 60 to 70 million kilogrammes of flour less than during the preceding year".

3. With respect to the living conditions of the families of Hungarian workers and employees the September issue of the Statisztika'i Szemle published figures relating to the household budget of 5,000 families in 1956. The families covered by these statistics were divided into the following five income groups according to gross monthly income per capita, that is, per family member, irrespective of whether the person concerned was gainfully employed. Income group :IIIIIIIVV - Income : under 400 ft.401- 600 ft.601- 800 ft.801-1,000 ft.over 1,000 ft. - Percentage of total :3%16.7%42.6%25.4%12.3%. According to the Statistical Office the living conditions of families earning less than 500-600 ft. (19.7 %) are, in several respects, inadequate. Although, as far as food is concerned, the only deficiency seems to be in respect of quality, the clothing, cultural and other needs of these families are only very inadequately met. Though families with a per capita monthly income of 600 to 800 ft. (42.6 %) are seldom short of food, they have great difficulty in procuring clothing. The following table shows what proportion of their total income some income groups spent on food in 1956. Income group: I III V - Money spent on food : 63.4% 55% 43.8% - Mean :53.6 % (According to the Swiss household budget statistics for 1955 the average Swiss working-class family in that year spent 31.1 % of its income on food.)

Another instance of this more liberal policy is supplied by the following item taken from the provincial newspaper Dunantuli Naplo.

" In the Kisszentmarton district six families have set up their own association for the collective use of agricultural machinery. They purchased from the neighbouring machine-station a tractor costing 5,800 ft, which they paid for themselves. One of the families looks after the tractor which is used only on the 60 units of land owned by the members of the association. "

This kind of association is something new in Hungary. The article, however, does not say who authorised the sale of the tractor for, after all, the tractors in the machinery pools are Government property. At any rate, this is the first time the Hungarian press has reported the existence of such associations.

The chaotic situation in industry

The situation in industry is described in an editorial in the Nepzabadsag of 25th February 1958. The main theme of the article is the need for economy in industry:

" During the past few months industrial plants have been visited by many inspectors who endeavoured to ascertain what the plants were doing to economise in materials. The impression they gained was unfavourable. The fact is that economy in the use of materials is today the most neglected requirement in industry. The importance of economising materials is recognised and indeed affirmed by all, but in practice there is a great deal of waste.

In most plants, the norms laid down for the use of materials are not observed (the norms denote the quantity of a given material that may be used in the manufacture of a given product). Indeed some plants, for instance electro-mechanical equipment and cable factories, have no such norms. In other cases, the norms are so flexible that they lead to waste, for example in the Csepel motor-plant. There is considerable wastage in the production of cast iron and forged products. Frequently, for example in cutting and milling, the waste may be equal to the weight of the finished product. There is the case of a variety of lathe manufactured in a steel goods and machine-tool factory, which weighs 10% more than indicated in the catalogue. The same type of machine may show weight differences of 200-400 kilogrammes.

In some plants, even these flexible norms are left far behind. For instance, when a telephone factory was inspected it was discovered that the actual amount of material used was 50% in excess of the norm. The accounting system employed in our factories in regard to the use of materials is loose and defective and conducive to waste and abuse. A large proportion of our plants have either a very deficient checking system or none at all."

In addition to this wastage of material, stealing still goes on, as before the Revolution. While one of the main themes of the Hungarian press is propaganda for higher production, another is the continued exposure of thefts and forgeries which, as during the Rakosi period, is common in all spheres of Hungarian society.

This is shown by a short article which appeared in the Nepzabadsag of 26th February 1958:

" On the instructions of the metropolitan housing authority the accounts relating to some house repairs carried out following the counterrevolution, were audited. The auditing of 249 accounts drawn up by independent small undertakings revealed that of the 5 1/2 million forints indicated in these accounts, more than 1 million, i.e. 20%, was unaccounted for. An audit of the accounts of State undertakings and co-operatives showed a 12-13% discrepancy. However, the total amount of business done by small undertakings amounts not to 5 1/2 million forints but to 69 million, whilst that done by State undertakings and co-operatives amounts to 584 million forints. The total discrepancy would therefore seem to amount to several tens of millions of forints... "

It is also reported by reliable sources in Budapest (March) that the managements of the State-owned industrial, trade and transport undertakings have received confidential instructions to dismiss 7 to 14% of their workers.

These instructions are obviously connected with a shortage of materials. As, however, the Communist leaders cannot admit this or recognise the existence of unemployment, the dismissed workers are alleged to have been " counter-revolutionaries ", in accordance with party circulars.

It would appear, therefore, that in the near future 250,000 persons will lose their jobs without being regarded as unemployed or entitled to any financial support.

The new three-year plan

Last June a new three-year Hungarian economic development plan was published by the Miinnich Government. Although the full details of this plan are not yet known, it seems to be a moderate one and to provide evidence that the rulers of Hungary have abandoned the idea of turning their country into a major iron and steel producer.

C. The Party's domestic policy under Kadar

Kadar's internal party struggle has to be conducted on two fronts. On the one hand, there is the struggle against the supporters of a Stalinist (Rakosi) policy, who, by dint of what would appear to be unsuccessful appeals to the leaders of the Russian Communist Party, are striving to regain their former influence; on the other hand, Kadar has to contend with the "revisionism" of the communist supporters of Nagy and the Bibó socialist peasant group. Since December 1957, he has apparently succeeded in curbing the influence of the Stalinists. This may be inferred from:

The end of the Tanács circle

The weekly Magyarország announced in its issue of 31st December 1957 that the Tanács circle, which, after the suppression of the October Revolution, was formed by the Stalinist wing of the Communist Party to counter the influence of the Petöfi circle, had been dissolved. The communique issued in this connection said that "the circle has accomplished its task". At the same time Magyarország, the official organ of the circle and indeed the most Stalinist newspaper in Budapest, which was continually calling for the liquidation of remaining "counter-revolutionary circles", ceased to appear.

Government changes

In March of this year it was officially reported from Budapest that the Minister of Justice, Mme. Magda Joburu, had been relieved of her post and replaced by M. Pal Ilku.

Magda Joburu was closely connected with Josef Revai and belonged to the "left (Stalinist) wing" of the Hungarian Communist Party, which Ferenc Miinnich wishes to relegate to the background. In addition to Mme. Joburu, Stalinists removed from influential posts include Janos Zsombor, former chief editor of the weekly Magyarország, sent to Moscow as correspondent of the newspaper Nepszabadsag, and Marton Lovas, chief contributor to the weekly paper, now a reporter on an economic journal. The most prominent members of the Stalinist Tanács circle were sent to the provinces as minor party secretaries.

Pal Ilku, the new Minister of Education, is a typical Miinnich supporter. His only qualification for the post is that twenty years ago he was an elementary school teacher. Since 1945, he had been serving in the armed forces as a member of the General Staff and acted on several occasions as deputy Minister of Defence.

Attitude to Rakosi

On the occasion of the 40th anniversary of the founding of the Hungarian Communist Party, the Budapest Nepszabadsag of 25th March 1958, published an article on the founders of the Communist Party. According to this article the first communist group was set up in Moscow on 24th March 1918, by Bela Kun, Tibor Szamuely and Ernő Or. There is no mention of Matyas Rakosi. On similar occasions during the years 1945 to 1956, the name of Bela Kun was completely ignored and Rakosi was acclaimed as founder of the party and hero of the 1919 Revolution.

Treatment of the Nagy Group

Before the execution of Nagy, Kadar's policy towards the Revisionists had two features: on the one hand, a continuation of the reign of terror and of the hanging of Nagy supporters, and on the other, a reluctance to bring Nagy to trial. This policy was largely bound up with the prevailing uncertainty as to Soviet intentions.

The same policy was apparent in statements by Szirmai on the role of the press. He gave it to be understood that the Kadar Group wished to abandon the methods employed by Rakosi and that its political ideas were far removed from those of the Hungarian Stalinists. It is noteworthy that, in connection with the 1956 rising, Szirmai requested the press not to demand in its editorials or other articles that anyone should be made responsible. This applied, inter alia, to Imre Nagy and Pal Maleter. Asked by editors whether there would be any political trials in the first quarter of 1958, Szirmai answered with a categorical no. He asked the press to pay more attention to Yugoslavia and to send correspondents to Belgrade. He also referred to the economic

difficulties of the country, adding, however, that there would be no shortage of consumer goods or even certain luxury goods, as the Government would make every effort further to improve living standards. The economic difficulties would probably be overcome thanks to further Soviet credits.

Laszlo Gyaros, the spokesman of the Ministry of Foreign Affairs, said in the course of a private conversation with a leading journalist that the conviction of Tibor Dery and his colleagues had not been the wish of the Kadar Group. At the time of the trial "extreme leftist circles" had been more influential than they were at the present time. Gyaros also said that the lot of the imprisoned writers would shortly be eased; that the strict supervision of the activities of intellectuals was being stopped and that only common criminals proved guilty of theft or murder were being sentenced. The term "extreme leftist circles" applies mainly to the Tancsics circle and the editorial staff of the suppressed weekly Magyarorszag.

Ideological confusion

Ever since 1949 Party schools in Hungary have never ceased to function. Not only Party members but also non-Party members—at least all employed by the State—were obliged to attend Party seminars. The basic text books used were the Short History of the Russian communist party and The Life of Stalin, as well as a number of Party pamphlets on international and economic policy.

Owing to the lack of teaching material, these courses were discontinued after the October Revolution. It was not until October 1957 that they were resumed but only for the benefit of Party members. The Nepszabadsag of 14th February 1958, contains a report on these courses by Mme. Ilona Vigh, entitled Half-yearly balance sheet. Among other things she reported that:

"The Budapest courses are attended by about 70,000 persons" (in 1955, the number of persons who were obliged to attend such courses in Budapest was 225,000).

What are the Budapest communists being taught today? Mme. Vigh describes two kinds of courses. The first is entitled Topical problems. This deals with the events of the "Counter-Revolution" and the policy of Imre Nagy and Rakosi. It is said to be heavily attended, although it is more in the nature of a discussion group than a course proper.

The second course entitled Problems of Marxism-Leninism seems a more earnest affair, but it is meeting with some difficulties concerning which Mme. Vigh has this to say:

"The study of the works of Marx, Engels and Lenin is a very difficult task. We should concentrate more on the legality of the class struggle and its forms and methods. For instance, there are many who do not understand the possibility of achieving the Socialist Revolution by peaceful means.

Furthermore, since the end of the Stalin cult, the Hungarian Communist Party lacks suitable reading material. Mme. Vigh thinks there is a need for a new textbook on Marxism-Leninism. In the meantime, lecture courses should be organised on the basis of specially prepared texts.

This article shows that the Party schooling of today is only a shadow of its former self. The Communists are not only reluctant to study Marxism-Leninism, but they also lack the necessary basic knowledge.

D. Terror and Resistance

Persons who took part in the Revolution are still being arrested, interned or hanged. Active resistance has now been replaced by bitter resignation. Nevertheless, the Government has still not succeeded in winning over even the most sought-after sections of the population.

Internment camps

In a statement he made at the last session of the Hungarian Parliament the Public Prosecutor, Dr. Geza Szenasi, said:

"At the present time we have a public security detention camp where 1,869 persons are detained. One quarter of these are persons who refuse to work and the like. I think it necessary that we also use this camp as a means of combating parasitical elements in our economic life."

The camp referred to is situated at Kistarcsa, to the east of Budapest. According to reliable information the number of persons detained there is about 8,000,

As regards the " parasitical elements " mentioned by Dr. Szenasi, the administration is already taking steps against them. A number of leading exporters, retailers and small businessmen have already been interned. Although, under the law, the period of internment is limited to six months, a considerable number of persons in the camp have been interned since March 1957.

Closing down of the Kistarcsa internment camp

According to reliable reports from Hungary, the Hungarian Government closed down the Kistarcsa internment camp in early March. Some of the internees were transferred to the Mosony Utca police barracks and to the detention home, both in Budapest.

Reorganisation of the Hungarian Bar.

The Hungarian Minister of Justice, Dr. Ferencs Nezval, speaking at a press conference in March told the journalists present that the Hungarian Bar was being reorganised.

The Minister said that this measure had to be taken because " some members of the Bar were not only unsuitable to deal with the tasks entrusted to them but also completely hindered the work of the Courts and other bodies as well as the application of Socialist jurisdiction. "

The status of barristers is being determined under a decree which stipulates that barristers may practise only within "barristers' associations. " A lawyer may engage in private practice only in exceptional cases, subject to the authorisation of the Minister of Justice. M. Nezval went on to say that "the fact that the bar was unable to fulfil its tasks was primarily due to clashes between its members. Consequently the undesirable elements must be dismissed. "

Under the new decree, the Bar is no longer autonomous. Its business is carried on by delegates appointed by the Minister. Disciplinary law is administered by disciplinary courts which are not elected but appointed. The membership of the Bar is reviewed by five-member commissions appointed by the Minister of Justice. There is one such commission for each county or Budapest municipal district. These commissions consist not only of barristers but also of other persons familiar with local conditions.

The closing date for new admissions to the Bar is 31st August 1958. Under the new decree it will be impossible for lawyers to perform their normal legal tasks. The selection of lawyers who are not only jurists but also "persons familiar with local conditions" ensures that only lawyers who enjoy the trust of the Hungarian Communist Party are allowed to practise within the Association.

Resistance on the part of Hungarian students

The weekly organ of the Communist Youth organisation Magyar Uffusag reported in its issue of 3rd March 1958, that students in the Hungarian faculties of law were still offering resistance to the Communist regime. The writer of the article complained that the youth organisations were not doing their job : "... in past "weeks new provocative slogans have been- appearing on the walls and large quantities of pamphlets have been found on window-sills. The Kisz (Communist Youth Movement) has therefore held an official assembly, also attended by students whose indignation had been aroused by these provocations. There was a great deal to talk about at this assembly. Twenty-three students took part in the debate. Recently, Tuttosy, a member of the Faculty of Law, was brought to trial as an instigator of the counter-revolution and as having played an important part in the Csepel murders. A majority of the university students approved of the conviction of those responsible but some of those present staged a "compassionate weeping session" when they heard of the well-deserved sentences passed. They listened with anger to the Public Prosecutor when he branded the student Laszlo Ravasz, one of the leading figures of the counter-revolution, as a Fascist.

Not only in the universities but also in student centres some persons are openly agitating against the Communist Youth Organisation."

It is not known exactly who the sentenced students Tuttosy and Ravasz are. No official information has so far been released as regards their trial or conviction. At any rate, it is interesting to note that in spite of the atmosphere of terror by which they are surrounded, Hungarian university students openly dare to debate and protest against the branding as Fascists of those of their colleagues who took part in the Revolution.

Writers are still keeping aloof

On 15th March 1958, as in previous years, the Kossuth Prizes were awarded in Budapest to leading artists and scientists. But unlike in previous years, only 31—that is relatively few— Kossuth Prizes were distributed. In this connection, it is interesting to note that this year not a single writer was among the prize-winners.

It is clear, therefore, that writers have not so far succumbed to the blandishments of the regime.

E. The execution of Imre Nagy

1. After much hesitation, Soviet policy has come out into the open with the execution of Imre Nagy and his companions. In my opinion, this execution is to be regarded as an attempt to clear up the Hungarian situation, but perhaps even more as a feature of the ideological and political strife dividing the Communist world. The time and place of the executions have not so far been made known. For propaganda reasons, their simultaneous announcement by the Soviet and Hungarian authorities took place on 17th June, the anniversary of the workers' uprising in central Germany. (The publication of this news was so arranged that the Communist paper Neues Deutschland, for instance, was printing the full text of the judgment before Western papers had even received their first despatches). All four victims— Imre Nagy, Pal Maleter, Miklos Gimes and Joseph Szilagyi— were Communists of long standing. Imre Nagy had been a Communist since 1917. Pal Maleter made seventeen parachute descents after 1942 in the course of partisan activity on behalf of the Red Army. Miklos Gimes had been a Communist since his youth and was still a supporter of Stalin at the time of the Rajk trial. Joseph Szilagyi, a clandestine member of the Communist party, imprisoned under Horthy, refused the Ministry of the Interior offered him by Gero in 1956. The connection of the executions with internal Communist policy is further emphasised by the fact that the main Communist defendants in the trial were executed for collaboration with "the forces of reaction" whereas Hungary's most prominent bourgeois politician, Zoltan Toldy, a member of the Nagy Government, who was also one of the accused, received the comparatively light sentence of six years' imprisonment. The fate of the rest of Nagy's companions, abducted from the Yugoslav Embassy, is unknown. They are as follows: Mme. Julia Rajk, 43, wife of the former Communist Minister for the Interior, and her six year old son, Laszlo Rajk Sandor Haraszti, 54, journalist, clandestine Communist under the Horthy regime, editor of the Communist Party evening paper Szabadsag from 1945, President of the Hungary-Yugoslavia Society. Condemned to death after the Rajk trial, he was released in 1955 and became editor of the weekly Beke Es Szabadsag. A leading member of the Journalists' Union. Gyorgy Fazekas, 45, journalist, clandestine Communist, member of the Miskolcer group of partisans, editor of the Communist paper Szabad Nep from 1945. Unemployed for some time after the Rajk trial, he was appointed editor of the Erdekes Ujsag just before the Revolution. Gabor Tanczos, 31, philosopher, a leader of D.I.S.Z., the Communist Youth Movement, and later foundation member and Secretary of the Petofi Club. Pal Locsey, 43, journalist, clandestine Communist, imprisoned after the Rajk trial. On the morning of 23rd October 1956 he asked Gero to resign and received the reply " I'll call out the troops first " Peter Erdos, 32, journalist, formerly on the staff of Szabad Nep. Imprisoned after the Rajk trial. Mme. Janossy, 33, daughter of Imre Nagy, journalist, editor of the Foreign Tourist Trade Bulletin Vengrija. Ferenc Janossy, 46, Director of the Petofi Museum. Mme. Vasarhelyi, Professor, with three children, all under age. Mme. Erdos, 32, on the staff of the Erwin Szabo Library, with her child of four. Mme. Losonczy, literary historian, and child aged one. Her husband, Geza Losonczy, is officially stated to have died in prison of an illness.

2. The prevailing fear in Hungary that the execution of Nagy is not the last step in a purge but merely the beginning of a new one, is supported by the nature of the campaign accompanying the executions. In the Csepel Steel Tubing factory, one of the largest heavy industry undertakings in Hungary, a Communist meeting was held on 18th June after the official announcement that the leaders of the Hungarian Revolution had been executed. This firm has always been the political parade-ground of Hungarian Communism. Here, too, after the publication of the accusation against Laszlo Rajk and his companions, the first and longest of the mass meetings of the workers was held, and the audience was told that the Hungarian people were unanimous in condemning Rajk and his supporters, for whom they nourished an intense hatred, and whole-heartedly welcomed the Government's action. In 1954, after Nagy's replacement, Rakosi also spoke at the factory, sternly criticising his activities. The people of Budapest regard the mass meeting on 18th June 1958 as a grim sign, although this time the speaker was an ordinary workman of the name of Sandor Papp, whose speech had clearly been prepared for him. Among other things, Papp said: " The Hungarian people and working class thank the Party and the Government for the punishment meted out to criminals and traitors. But we must remain on the watch, for many revisionists and enemies of the people are still at large in Hungary, encouraged by the dangerous developments in Yugoslavia. The Hungarian people and working class are strong enough, however, to purge their own ranks. The revisionists have learnt that they need expect no mercy ".

3. There are still many people in the Hungarian Party Organisation and Civil Service some of them in important posts who were in close contact with Yugoslav circles before the October Revolution. It is thought likely in Budapest that such people will be mercilessly purged. Most of them are officials in the diplomatic service or former press correspondents in Yugoslavia; they also include a number of police-officers and intellectuals. If any such purge occurred, it might in the long run endanger even those who, like Kadar himself, had disagreements towards the end of 1957 with Josef Revai's Stalinist group. On 18th August, the Hungarian Government announced the publication of Volume V of the Hungarian White Book, under the title: The Anti-Revolutionary Conspiracy of Imre Nagy and his Accomplices. I have not yet seen this book, which is unprocurable at present. On 13th August the Hungarian Embassy in Vienna stated that they did not possess a copy.

Appendix 3 APPENDIX I

Abduction of persons in violation ' of undertakings given

3rd November 1956

The United Nations Special Committee established that General Maleter was arrested on 3rd November 1956 at Soviet Headquarters in Tokol on the island of Czspel, where he had gone as Defence Minister for the Nagy Government and leader of the Hungarian military delegation negotiating with the Soviet High Command. He was thus protected by the recognised principles of international law. At the Security Council meeting on 3rd November the Hungarian representative declared—and this was confirmed by the Soviet representative—that these negotiations were in fact in progress.

11th November 1956

Statement by Kadar:

" Myself a member of the Nagy Government, I hereby declare that to the best of my knowledge and belief neither Nagy nor his closest political supporters deliberately provoked a counterrevolution ".

14th November 1956

Janos Kadar told a delegation of Hungarian workers that he did not believe that Imre Nagy had provoked the " Counter-Revolution " deliberately, but had been the victim of circumstance. " Imre Nagy is not under arrest " he added. " He left the House of Parliament of his own free will and neither the Government nor the Soviet troops are seeking to restrict his movements. It is for him alone to decide whether he wishes to contrive his political activity or not".

21st and 22nd November 1956

ber 1956 after leaving the Yugoslav Embassy in Budapest which had given them asylum. It occurred after a promise of safe conduct had been given and their immunity recognised in a document addressed by Kadar on 25th November 1956 to the Government of the Federal People's Republic of Yugoslavia in his capacity as President of the Council of Ministers.

An extract of this document reads as follows:

" To avoid any further misunderstanding, the Hungarian Government, while expressing its agreement with the suggestions made in page 3, paragraph 8, of the communication of 18th November 1956 addressed to me by the Yugoslavian Government, hereby confirms in writing the verbal assurance already given that " it does not desire to apply sanctions against Imre Nagy and the members of his group for their past activities. We take note that the asylum extended to the group will hereby come to an end and that they themselves will leave the Yugoslav Embassy and proceed freely to their homes. "

23rd November 1956

Communique from the Hungarian Government:

" Imre Nagy and some of his supporters have gone to Rumania in accordance with a petition previously lodged."

27th November 1956

Announcement by Kadar:

" We have given the assurance that we do not intend to prosecute Imre Nagy and we shall keep our word.

3rd December 1956

The Rumanian Foreign Minister, M. Preo-teama, stated at the United Nations General Assembly that the Rumanian Government, after being approached by the Hungarian Government on the subject of M. Nagy, " had given an assurance that the group's stay in Rumania would be marked by the observance of all the rules

of hospitality and that the necessary steps would be taken to ensure the personal safety of M. Nagy and his friends. At the same time the Romanian Government guaranteed to observe international usage in the granting of political asylum. "

March 1957

In a speech at the Kremlin, Janos Kadar not only accused Nagy of undermining the Party from within but also of preparing the way for an attack from without by his collaboration with the sinister forces of reaction.

December 1957

Volume IV of the Hungarian White Book contains the statement that Imre Nagy "had violated his oath of office. Instead of defending the constitutional regime he had used his position as Prime Minister to further attempts to overthrow the Constitution. "

12 June 1958

In a leading article Janos Kadar made a disparaging allusion to " those who, like Imre Nagy, had sunk to the lowest depths of treachery ". Four days later came the news from Budapest and Moscow that Nagy had been condemned to death and executed.

Appendix 4 APPENDIX II

I. Communique by the United Nations Special Committee on the problem of Hungary (21st June 1958)

" The Special Committee met this morning to consider the circumstances surrounding the recent reports from Moscow and Budapest that Imre Nagy, Pal Maleter, and two of their companions have been executed.

To assist its study of these tragic events, the Committee had before it the text of the statement issued by the Hungarian Government on 16th June, when the trials were first announced, and a recent statement from Belgrade in which the Government of Yugoslavia recalled the undertakings which had been given to them by Janos Kadar when Imre Nagy left the asylum of the Yugoslav Embassy at Budapest on 22nd November 1956, namely,

' . . . that it (the Hungarian Government) does not desire to apply sanctions against Imre Nagy and the members of his group for their past activities. We take note that the asylum extended to the group will hereby come to an end and that they themselves will leave the Yugoslav Embassy and proceed freely to their homes.'

The report of the Committee, already presented to the General Assembly and endorsed by it, records the circumstances in which Imre Nagy, on leaving the Yugoslav Embassy, was arrested and taken to an unknown destination, subsequently indicated by the Hungarian authorities as being Rumania; it also recalls the Unsuccessful efforts made by the Committee later to arrange with the Rumanian Government an opportunity to meet Imre Nagy in the interest of the Committee's inquiry.

The Committee notes that no reply has ever been received to its letter addressed to the Hungarian Government on 20th December 1957. That letter drew the attention of the Hungarian Government to the persistent concern displayed throughout the world regarding the fate of the men and women who played a part in the events in Hungary during October and November of 1956. It pointed out that anxiety would continue until the present regime of Hungary complied with the General Assembly Resolution of 14th September 1957, which called upon Hungary 'to desist from repressive measures against the Hungarian people'.

The Committee notes that, since the uprising in Hungary in October 1956, the United Nations has adopted a number of resolutions calling on the Soviet Union to withdraw her troops from Hungary so as to create an atmosphere in which free elections could be held. All these appeals have been ignored. The execution of Imre Nagy and of his companions demonstrates that the oppression of the Hungarian people has not abated, and that the reign of terror which began when Russian forces moved into Hungary early in November 1956 continues.

The Committee notes that the recent statement by the Government of Hungary in which the executions were announced was imprecise and vague in many particulars. Some unanswered questions are: What were the movements of the prisoners between the time of Nagy's abduction and the time of the trials? In what country were they tried? Where did the executions take place? What was the precise form of the indictment? Under what laws and under what procedures were they tried and sentenced—laws and procedures in operation at the time of the uprising or laws promulgated subsequently? These are matters on which the United Nations has every right to be fully informed.

The Committee accordingly issues an appeal to interested Governments having at their disposal any information regarding the circumstances of the arrest, trial and execution of Imre Nagy, Pal Maleter and their two companions, to make such information available to the Committee.

The Committee deplores this latest tragic event in which these men, symbols of the hope of a nation for freedom from foreign domination, were secretly sent to death in circumstances which call for full exposure, in violation of solemn undertakings that their persons would not be harmed, and in defiance of the judgement and opinion of the United Nations. It expresses its grave concern lest the end of this repression and killing may not yet be in sight."

II. Declaration of the Committee of Ministers of the Council of Europe (19th June 1958)

" The Committee of Ministers

Has never ceased to affirm its sympathy and feelings of solidarity with the Hungarian people in their trials as well as its deep concern with regard to the treatment accorded to President Imre Nagy, General Maleter and their companions in the struggle for independence.

Profoundly shocked by the announcement of the execution of these Hungarian patriots in spite of promises given and in violation of the most elementary human rights, the Committee of Ministers expresses its horror and indignation at this barbarous act.

The Committee of Ministers pays tribute to their memory which will ever serve as an outstanding example for all those who are attached to the cause of freedom.

The Committee of Ministers conveys its deep sympathy to the Hungarian people. "

III. Declaration made by Mr. Edwards on behalf of the Socialist Group of the Consultative Assembly (20th June 1958)

Letter from Mr. Edwards, M. P., Chairman of the Socialist Group of the Consultative Assembly of the Council of Europe to His Excellency M. Pal Földés (Hungarian Legation, London) London, 20th June 1958.

Your Excellency,

European Socialists have learned with horror and dismay of the secret judgment passed on M. Nagy and his companions and their equally secret execution. On behalf of the seventy Socialist members of the Consultative Assembly of the Council of Europe, I must protest most vigorously against this barbarous and inhuman behaviour which makes normal human relations between our peoples practically impossible.

I am, etc.

Signed: John Edwards.

IV. Statement issued by the International Commission of Jurists regarding the execution of Imre Nagy, Pal Maleter and other Hungarian leaders (17th June 1958)

" In the horror and dismay which will be felt at the news of the execution of Imre Nagy, Pal Maleter and other Hungarian leaders it is important to emphasize certain facts which may escape attention:

1. The Hungarian authorities have chosen a time when the world is occupied with many other crisis situations—in Cyprus and Lebanon, for example—to announce the executions. They appreciate and fear world opinion, when it is directed against them.

2. The measures taken against Imre Nagy and the other leaders sentenced to death or imprisonment are not a single and exceptional instance of political vengeance. The Hungarian regime has been conducting political trials in secret throughout the present year, the news of which has only been released at times when public opinion is judged too preoccupied or too impotent to make a strong protest. On 16th May, for example, the beginning of a trial against a number of leading lawyers including the former President of the Union Internationale des Avocats was announced but, as far as is known, the result of this trial has been withheld. On 17th May it was stated by the Hungarian telegraph agency that the four accused had been sentenced to death and executed; they belonged to a group of 16 who had already been tried in October 1957 when three of the four were sentenced to imprisonment and one only to death. They were executed after re-trial by the People's Chamber of the Supreme Court, where lay assessors without legal training and in effect appointed by the Party in power have an equal voice with professional judges and before which the accused is not entitled to be represented by counsel of his own choice.

3. It follows that only the determined and persistent pressure of public opinion throughout the world can deter the Hungarian authorities from continuing and intensifying a policy of savage repression violating the most elementary principles of justice and humanity.

4. In this connection, lawyers have a particular duty to emphasize the challenge which the Hungarian regime is making to the generally accepted standards of justice and criminal procedure recognized by civilised nations. Detention for long periods without trial, secret trial before courts subservient to the regime, denial of the most fundamental rights of defence, cruel and savage punishments offend the conscience and undermine the common traditions of the legal profession throughout the world." Signed: Norman S. Marsh Secretary-General

5. Signed: Norman S. Marsh Secretary-General